

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

CONTENTS TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

CONTENTS	PAGE
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION	1
CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS	2
CONSOLIDATED INTERIM STATEMENTS OF OTHER COMPREHENSIVE INCOME	3
CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY	4
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS	5
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS.....	6-47
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS.....	6-7
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	8-19
NOTE 3 CASH AND CASH EQUIVALENTS.....	20
NOTE 4 TRADE RECEIVABLES AND PAYABLES	20
NOTE 5 INVESTMENTS IN JOINT VENTURES.....	21-22
NOTE 6 PROPERTY, PLANT AND EQUIPMENT	23-25
NOTE 7 INTANGIBLE ASSETS	26-27
NOTE 8 BORROWINGS	28-29
NOTE 9 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES.....	30
NOTE 10 PROVISION FOR DEFINED BENEFIT OBLIGATION.....	30-31
NOTE 11 OTHER ASSETS AND LIABILITIES	31-32
NOTE 12 TAX ASSETS AND LIABILITIES	32-35
NOTE 13 EQUITY	35
NOTE 14 REVENUE	36
NOTE 15 COST OF SALES.....	36
NOTE 16 OTHER OPERATING INCOME AND EXPENSES.....	36
NOTE 17 FINANCIAL INCOME AND EXPENSES.....	37
NOTE 18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES	37-39
NOTE 19 FINANCIAL RISK MANAGEMENT	40-46
NOTE 20 FINANCIAL INSTRUMENTS ADDITIONAL DISCLOSURES.....	47
NOTE 21 EARNINGS PER SHARE.....	47
NOTE 22 EVENTS AFTER THE REPORTING PERIOD	47

LİMAK YENİLENEBİLİR ENERJİ A.Ş.**CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
AS OF 31 MARCH 2025 AND 31 DECEMBER 2024**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

	Notes	31 March 2025	31 December 2024
ASSETS			
Current assets			
Cash and cash equivalents	3	11,736,862	1,078,267
Trade receivables	4	137,913	2,122,816
Other current assets	11	285,374	320,013
Total current assets		12,160,149	3,521,096
Non-current assets			
Investments in joint ventures	5	5,136,817	5,000,952
Property, plant and equipment	6	27,289,039	27,418,979
Intangible assets	7	251,358	254,082
Deferred tax assets	12	1,393,383	1,602,069
Other non-current assets	11	1,006,564	272,381
Total non-current assets		35,077,161	34,548,463
Total assets		47,237,310	38,069,559
LIABILITIES			
Current liabilities			
Borrowings	8	2,252,971	2,418,313
Trade payables	4	390,012	1,505,482
Current income tax liabilities	12	556	612
Other current liabilities	11	188,474	218,565
Total current liabilities		2,832,013	4,142,972
Non-current liabilities			
Borrowings	8	19,635,387	9,342,927
Provision for defined benefits obligation	10	26,005	26,256
Deferred tax liabilities	12	85,961	95,628
Total non-current liabilities		19,747,353	9,464,811
Total liabilities		22,579,366	13,607,783
EQUITY			
Share capital	13	1,408,565	1,408,565
Adjustment to share capital	13	12,291,156	12,291,156
Hedging reserves		(4,241,662)	(4,874,932)
Actuarial gains or losses		(5,239)	(11,883)
Restricted reserves	13	42,388	42,388
Retained earnings		15,162,736	15,606,482
Total equity		24,657,944	24,461,776
Total liabilities and equity		47,237,310	38,069,559

The accompanying policies and explanatory notes form an integral part of these consolidated interim financial statements.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.**CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2025 AND 2024**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

	Notes	1 January - 31 March 2025	1 January - 31 March 2024
Revenue	14	1,172,058	2,092,470
Cost of sales	15	(671,896)	(970,305)
Gross profit		500,162	1,122,165
Other operating income	16	575	1,278
Other operating expenses	16	(2,666)	(32,024)
Operating profit		498,071	1,091,419
Share of profit of joint ventures	5	135,865	148,422
Financial income	17	687,321	117,053
Financial expenses	17	(2,063,358)	(1,065,262)
Gains on net monetary position		872,391	1,606,352
Profit before income tax		130,290	1,897,984
Taxation on income			
Current tax expense	12	-	(23,600)
Deferred tax income/(expense)	12	(132,796)	(848,726)
Profit/(loss) for the period		(2,506)	1,025,658
Earnings per share	21	(0.00)	0.73

The accompanying policies and explanatory notes form an integral part of these consolidated interim financial statements.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.**CONSOLIDATED INTERIM STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2025 AND 2024**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

	Notes	1 January - 31 March 2025	1 January - 31 March 2024
Profit/(loss) for the period		(2,506)	1,025,658
Items that may be subsequently reclassified to profit or loss			
Cash flow hedges		-	(902,033)
Cash flow hedges, tax effect	12	-	225,507
		-	(676,526)
Items that have been reclassified to profit or loss			
Cash flow hedges		256,040	543,461
Cash flow hedges, tax effect	12	(64,010)	(135,865)
		192,030	407,596
		192,030	(268,930)
Items that may not be subsequently reclassified to profit or loss			
Actuarial losses	10	8,857	1,345
Actuarial losses, tax effect	12	(2,213)	(335)
		6,644	1,010
Other comprehensive income/(loss)		198,674	(267,920)
Total comprehensive income		196,168	757,738

The accompanying policies and explanatory notes form an integral part of these consolidated interim financial statements.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2025 AND 2024

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

	Share capital	Adjustment to share capital	Hedging reserves	Actuarial gains or losses	Restricted reserves	Retained earnings	Total equity
Balances at 1 January 2024	1,408,565	12,291,156	(6,628,634)	(10,796)	42,388	13,983,727	21,086,406
Transfers	-	-	877,053	-	-	(877,053)	-
Total comprehensive income/(loss)	-	-	(268,930)	1,010	-	1,025,658	757,738
Balances at 31 March 2024	1,408,565	12,291,156	(6,020,511)	(9,786)	42,388	14,132,332	21,844,144
Balances at 1 January 2025	1,408,565	12,291,156	(4,874,932)	(11,883)	42,388	15,606,482	24,461,776
Transfers	-	-	441,240	-	-	(441,240)	-
Total comprehensive income/(loss)	-	-	192,030	6,644	-	(2,506)	196,168
Balances at 31 March 2025	1,408,565	12,291,156	(4,241,662)	(5,239)	42,388	15,162,736	24,657,944

The accompanying policies and explanatory notes form an integral part of these consolidated interim financial statements.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.**CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2025 AND 2024**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

	Notes	1 January - 31 March 2025	1 January - 31 March 2024
Operating activities:			
Profit before income tax		130,290	1,897,984
Adjustments for:			
Depreciation and amortization	15	240,983	197,568
Share of profit joint ventures	5	(135,865)	(148,422)
Financial income	17	(687,321)	(117,053)
Financial expenses	17	2,063,358	1,065,262
Provision for litigations		2,177	31,153
Provision for defined benefits obligation	10	11,417	11,433
Gains on net monetary position		(872,391)	(1,606,352)
Cash flows from operating activities before changes in operating assets and liabilities		752,648	1,331,573
Changes in operating assets and liabilities:			
Trade receivables		1,843,156	(144,376)
Trade payables		(698,218)	(510,002)
Other assets		(85,009)	40,400
Other liabilities		42,865	164,194
Defined benefits obligation payments	10	(358)	(5)
Income tax payments		(6,088)	(24,726)
Cash flows from operating activities		1,848,996	857,058
Investing activities:			
Purchases of property, plant and equipment	6	(85,427)	(1,393,024)
Taxes on capital expenditures		-	(80,180)
Other receivables		(658,122)	41,615
Interest received		11,160	2,338
Cash flows used in investing activities		(732,389)	(1,429,251)
Financing activities:			
Proceeds from borrowings	8	19,357,074	1,174,067
Payments of borrowings	8	(9,163,161)	(775,137)
Payments of lease liabilities	8	(1,454)	(489)
Interest and commission payments		(854,553)	(527,627)
Cash flows used in financing activities		9,337,906	(129,186)
Inflation effect on cash and cash equivalents		(355,609)	(247,854)
Net increase/(decrease) in cash and cash equivalents		10,454,513	(701,379)
Foreign exchange gains on cash and cash equivalents		559,691	71,205
Cash and cash equivalents at the beginning of the year		1,078,267	1,910,535
Cash and cash equivalents at the end of the period		11,736,862	1,032,507

The accompanying policies and explanatory notes form an integral part of these consolidated interim financial statements.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Limak Yenilenebilir Enerji A.Ş. ("Limak Yenilenebilir" or the "Company") was established in 2004 for the purpose of investing in power plants.

The registered address of the Company is:
Hafta Sokak No: 9, Gaziosmanpaşa 06700 Ankara

The Company is a member of the Limak Group of companies. The Company's parent is Limak Yatırım Enerji Üretim İşletme Hizmetleri ve İnşaat A.Ş. ("Limak Yatırım") and it is ultimately controlled by Limak Holding A.Ş.

Limak Yenilenebilir and its subsidiaries are referred to together as the Group. Entities within the Group and power plants under their operation are listed below:

Limak Yenilenebilir Enerji A.Ş., the Company

Alkumru Hydroelectric Power Plant ("Alkumru HPP") is located on the Botan stream in Siirt province (Southeastern Anatolia region), which is one of the main arteries of the Tigris. The generation license was granted in 2007 for a period of 49 years. The power plant commenced its operations in 2011 and has 276 MWe installed capacity.

Çetin Dam and Hydroelectric Power Plant ("Çetin HPP") is located on the Botan stream in Siirt province (Southeastern Anatolia region), which is the largest branch of Tigris. The generation license was granted in 2018 for a period of 40 years (*originally issued in 2009 for a period of 49 years*). The power plant commenced its operations in 2020 and has 420 MWe installed capacity.

Limgaz Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş., a subsidiary of the Group

Buharkent Geothermal Power Plant ("Buharkent GPP") is located in Buharkent, Aydın (Aegean region). The generation license was granted in 2016 for a period of 25 years. The power plant commenced its operations in 2018 and has 15 MWe installed capacity (including its hybrid SPP).

LE Güneş Elektrik Üretim A.Ş., a subsidiary of the Group

Konya Apa Solar Power Plant ("Konya Apa SPP") is located in Apa, Konya (Central Anatolia region). The generation license was granted in 2019 for a period of 49 years. The power plant commenced its operations in 2019 and has 13 MWe installed capacity.

Limak Enerji Misis Elektrik Üretim A.Ş., a subsidiary of the Group

Isparta Gönen Solar Power Plant ("Isparta Gönen SPP") is located in Gönen, Isparta (Mediterranean region). There is no license requirement for the power plant. The power plant commenced its operations in 2017 and has 5 MWe installed capacity.

LE Erzin GES Enerji A.Ş., a subsidiary of the Group

Erzin Solar Power Plant ("Erzin SPP") is located in Erzin, Hatay (Mediterranean region). The generation license was granted in 2024 for a period of 30 years. The power plant commenced its operations in 2024 and has 100 MWe installed capacity.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Darenhes Elektrik Üretimi A.Ş., a joint venture of the Group

Tatar Hydroelectric Power Plant ("Tatar HPP") is located on the Peri Stream in the provinces of Elazığ and Tunceli (Eastern Anatolia region). The generation license was granted in 2005 for a period of 49 years. The power plant commenced its operations in 2013 and has 128 MWe installed capacity.

Pembelik Hydroelectric Power Plant ("Pembelik HPP") is located on the Peri Stream in the provinces of Elazığ and Tunceli (Eastern Anatolia region). The generation license was granted in 2005 for a period of 49 years. The power plant commenced its operations in 2015 and has 127 MWe installed capacity.

Seyrantepe Hes Elektrik Üretimi A.Ş., a joint venture of the Group

Seyrantepe Hydroelectric Power Plant ("Seyrantepe HPP") is located on the Peri Stream in the provinces of Elazığ and Tunceli (Eastern Anatolia region). The generation license was granted in 2011 for a period of 41 years (*originally issued in 2003 for a period of 49 years*). The power plant commenced its operations in 2008 and has 57 MWe installed capacity.

Information on installed capacity and granted licenses of power plants is as follows:

Power plants	Installed capacity	Licensed for	Expires in
Alkumru HPP	276 MWe	49 years	2056
Çetin HPP	420 MWe	49 years	2058
Tatar HPP	128 MWe	49 years	2054
Pembelik HPP	127 MWe	49 years	2054
Seyrantepe HPP	57 MWe	49 years	2052
Buharkent GPP	15 MWe	25 years	2041
Konya Apa SPP	13 MWe	49 years	2068
Isparta Gönen SPP	5 MWe	-	-
Erzin SPP	100 MWe	30 years	2054

Information on electricity generation of power plants during the periods in megawatt hours is as follows:

Power plants	31 March 2025	31 March 2024
Alkumru HPP	152,040	236,754
Çetin HPP	163,022	268,989
Tatar HPP	53,123	121,778
Pembelik HPP	49,305	92,927
Seyrantepe HPP	21,044	43,586
Buharkent GPP	21,838	21,842
Konya Apa SPP	5,003	4,729
Isparta Gönen SPP	1,905	1,740
Erzin SPP	49,595	-

HPP : Hydroelectric Power Plant

GPP : Geothermal Energy Power Plant

SPP : Solar Energy Power Plant

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation

2.1.1 Financial reporting standards

The consolidated interim financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") promulgated by the International Accounting Standards Board ("IASB"). The policies set out below have been consistently applied to all the periods and the years presented, unless otherwise stated.

Limak Yenilenebilir, its subsidiaries and joint ventures registered in Türkiye, maintain their books of accounts in accordance with the Turkish Commercial Code ("TCC"), local tax legislation and the Uniform Chart of Accounts issued by the Ministry of Treasury and Finance. These consolidated financial statements are based on the statutory records, which are maintained under historical cost convention, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the IFRS.

The consolidated financial statements have been prepared on the basis of the purchasing power of the Turkish Lira as of 31 March 2025.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.6.

2.1.2 Approval of financial statements

The consolidated interim financial statements have been authorized for issue by the Board of Directors on 27 June 2025.

2.1.3 Comparatives

The consolidated interim financial statements of the Group are prepared comparatively to enable the determination of the trends of the financial position and performance. The Group presented the consolidated statement of financial position at 31 March 2025 comparatively with the consolidated statement of financial position at 31 December 2024.

The Group presented the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the period ended 31 March 2025 comparatively with the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the period ended 31 March 2024.

For ensuring compliance with the current period presentation of financial statements, comparative figures are reclassified if necessary.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.1.4 Financial reporting in hyperinflationary economy**

Pursuant to the IAS 29 "Financial Reporting in Hyperinflationary Economies", the financial statements of entities whose functional currency is that of a hyperinflationary economy must be adjusted for the effects of changes in a general price index. IAS 29 does not establish an absolute rate when hyperinflation is deemed to arise and IASB does not identify specific hyperinflationary jurisdictions. However, IAS 29 provides a series of non-exclusive guidelines that assist companies in exercising their judgement as to when restatement of financial statements becomes necessary. These guidelines consist of (i) analyzing the behavior of the population regarding preservation of wealth in non-monetary assets or in relatively stable foreign currency, prices being quoted in terms of a relatively stable currency, interest rates and wages being linked to a price index, and the loss of the currency's purchasing power, and (ii) as a quantitative characteristic, verifying if the three-year cumulative inflation rate approaches or exceeds 100%. In March 2022, the International Practices Task Force of the Centre for Audit Quality, which monitors countries experiencing high inflation, categorized Türkiye as a country with three-year cumulative inflation rate greater than 100% as of 28 February 2022. Therefore, entities whose functional currency is TRY, reporting under IFRS have been required to apply IAS 29 to their financial statements for periods ended on and after 30 June 2022.

Under IAS 29, the consolidated financial statements are presented in terms of the measuring unit current as of 31 March 2025. All the amounts included in the consolidated financial statements which are not stated in terms of the measuring unit current at the end of the reporting period are restated applying the general price index. Adjustment for inflation has been calculated considering the price indices published by the Turkish Statistical Institute (Turkstat). Such indices used to restate the financial statements at 31 March 2025 are as follows:

Date	Index	Conversion factor	Cumulative three-year inflation rate
31 March 2025	2,954.69	1.00000	250%
31 December 2024	2,684.55	1.10063	291%
31 March 2024	2,139.47	1.38104	309%
31 December 2023	1,859.38	1.58907	268%

The main procedures applied for the restatements in accordance with IAS 29 are as follows:

- Monetary assets and liabilities are carried at amounts current at the reporting date and not restated because they are already expressed in terms of the measuring unit current at the reporting date.
- Non-monetary assets and liabilities that are not carried at amounts current at the reporting date and components of equity are restated by applying the relevant conversion factors from the date of the transaction to the reporting date.
- All items in the statement of profit or loss and the statement of other comprehensive income, except for those derived from non-monetary assets and liabilities, are restated by applying the monthly conversion factors of the transactions to the reporting date.
- The effects of inflation on the net monetary position are included in the statement of profit or loss as "gains on net monetary position".
- All items in the statement of cash flow are expressed in terms of the measuring unit current at the reporting date; and all items in the statement of cash flows are, therefore, restated by applying the relevant conversion factors from the date on which the transaction originated.
- All comparative figures for the previous reporting periods have been restated by applying the general price index for the current period, so that the resulting comparative financial statements are presented in terms of the current unit of measurement as of the closing date of the reporting period.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Amendments to International Financial Reporting Standards

The accounting policies adopted in preparation of the consolidated interim financial statements as at 31 March 2025 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2025. These standards and interpretations do not have a material impact on the Group's financial position and performance.

a) *The new standards, amendments and interpretations applicable as at 1 January 2025:*

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": Lack of exchangeability

b) *The standards, amendments and interpretations that are issued but not effective as at 31 March 2025:*

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, when the new standards and interpretations become effective.

- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures": Sale or contribution of assets between an investor and its associate or joint venture
- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures": Classification and measurement of financial instruments
- Annual improvements to IFRS Accounting Standards (Volume 11):
 - IFRS 1 "First-time Adoption of International Financial Reporting Standards": Hedge accounting by a first-time adopter
 - IFRS 7 "Financial Instruments: Disclosures": Gain or loss on derecognition
 - IFRS 9 "Financial Instruments": Lessee derecognition of lease liabilities and transaction price
 - IFRS 10 "Consolidated Financial Statements": Determination of a 'De facto agent'
 - IAS 7 "Statement of Cash Flows": Removal of cost method
- IFRS 18 "Presentation and Disclosure in Financial Statements": The new standard for presentation and disclosures
- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures": Contracts referencing nature-dependent electricity
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures": Eligible entities to elect to apply reduced disclosure requirements

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Changes in accounting policies, estimates and errors

Significant changes in accounting policies are applied or material misstatements are corrected, retrospectively; by restating the prior period consolidated financial statements (Note 2.1.3).

The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods.

2.4 Going concern

The consolidated financial statements have been prepared in accordance with the going concern assumption. The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

2.5 Summary of material accounting policies

Where necessary, accounting policies for subsidiaries and joint ventures are amended, hence they comply with the policies adopted by the Group. A summary of material accounting policies used in the preparation of the consolidated financial statements are as follows:

2.5.1 Group accounting

The consolidated financial statements include the accounts of the parent company, Limak Yenilenebilir and its subsidiaries on the basis set out in sections below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with IFRS, applying uniform accounting policies and presentation. The results of subsidiaries are included or excluded from their effective dates of acquisition or disposal, respectively.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and deconsolidated from the date that control ceases. However, in combinations involving entities or businesses under common control, subsidiaries are consolidated as if they had always been combined.

The Group combines individual income and expenses, assets and liabilities and cash flows of subsidiaries on a line-by-line basis with similar items in the consolidated financial statements. Intercompany transactions, balances and unrealized gains/losses on transactions between group companies are eliminated on consolidation.

All subsidiaries are wholly-owned (100%) by the Company and listed below:

- Limgaz Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş.
- LE Güneş Elektrik Üretim A.Ş.
- Limak Enerji Misis Elektrik Üretim A.Ş.
- LE Erzin GES Enerji A.Ş.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Joint Ventures

Joint ventures are entities over which the Group has joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint ventures are accounted for using the equity method of accounting and are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

The joint venture of the Group and ownership interests (%) are below:

	31 March 2025	31 December 2024
<u>Darenhes Elektrik Üretimi A.Ş.</u>		
Direct and indirect ownership interest	50.00	50.00
Proportion of effective interests	50.00	50.00

The entity consolidated by the joint venture and ownership interests (%) are below:

	31 March 2025	31 December 2024
<u>Seyrantepe Hes Elektrik Üretimi A.Ş.</u>		
Direct and indirect ownership interest	50.00	50.00
Proportion of effective interests	50.00	50.00

2.5.2 Foreign currency translation

Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which each entity operates ("the functional currency"). The consolidated financial statements are presented in TRY, which is the functional and the presentation currency of Limak Yenilenebilir.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5.3 Related parties

Shareholders, members of Board of Directors and key management personnel, in each case together with their families and companies controlled by or affiliated with them, joint ventures and associates are considered and referred to as related parties.

2.5.4 Financial assets and liabilities

Classification and measurement

The Group classifies its financial assets and liabilities in three categories: financial assets and liabilities "measured at amortized cost", financial assets and liabilities "measured at fair value through profit or loss", financial assets and liabilities "measured at fair value through other comprehensive income". The classification of financial assets and financial liabilities are determined considering the entity's business model for managing these and the contractual cash flow characteristics of the financial asset or liability. The appropriate classification of financial assets or liabilities is determined at the initial recognition.

Financial assets and liabilities measured at amortized cost

"Financial assets and liabilities measured at amortized cost" are not actively traded and non-derivative assets and liabilities that are held within a business model whose objective is to hold assets or liabilities in order to be entitled to contractual cash flows and the contractual terms of the financial assets and liabilities give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets and liabilities carried at amortized cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets and liabilities measured at amortized cost are accounted for under the statement of profit or loss.

Financial assets and liabilities measured at fair value through profit or loss

Financial assets and liabilities in this category are measured at their fair values at initial recognition and subsequent measurement. Gains and losses on valuation of these financial assets and liabilities are accounted for under profit or loss.

Financial assets and liabilities measured at fair value through other comprehensive income

Financial assets and liabilities in this category are measured at their fair values at initial recognition and subsequent measurement. Gains and losses on valuation of these financial assets and liabilities are accounted for under other comprehensive income. The Group has not recognized such assets or liabilities in the current and prior years.

2.5.5 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term liquid investments with original maturities of 3 months or less.

2.5.6 Trade receivables

Trade receivables that are recognized by way of providing goods or services directly to a customer are accounted for initially at fair value and subsequently are measured at amortized cost, using the effective interest method, less provision for impairment, if any.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

The Group applies "simplified approach" for the recognition of impairment losses on trade receivables, carried at amortized cost and that do not comprise of any significant finance component. In accordance with the simplified approach, the Group measures the loss allowances of the trade receivables for an amount equal to "lifetime expected credit losses", except for credit losses where trade receivables are already impaired for a specific reason. The expected credit losses are reviewed at each reporting period and recognized when necessary.

2.5.7 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Liabilities associated with the suppliers, such as resource utilization accruals, are also classified under trade payables.

2.5.8 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the year of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the year of the facility to which it relates.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset in the year in which the asset is prepared for its intended use or sale. All other borrowing costs and the part of the borrowing cost that compensates for the inflation during the same period are charged to the statement of profit or loss when they are incurred.

Foreign exchange differences to the extent that they are regarded as an adjustment to interest costs are also capitalized. The gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity borrowed funds in its functional currency, and borrowing costs actually incurred on foreign currency borrowings.

2.5.9 Non-derivative cash flow hedge

The Group designates certain borrowings (non-derivative financial instruments) as cash flow hedge of highly probable forecast transactions. The effective portion of changes in the foreign exchange differences on borrowings that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of profit or loss. When a hedging instrument expires or is sold or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized in the statement of profit or loss when the forecast transaction is ultimately realized. When a forecast transaction is no longer expected to occur, the cumulative gain or loss accounted for under equity is immediately transferred to the consolidated statement of profit or loss.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Gains and losses deferred in other comprehensive income, remain in other comprehensive income until the cash flows associated with the hedged item occur. At the time when a forecast revenue occurs, the respective amount of foreign exchange gains or losses is reclassified from other comprehensive income to profit or loss within financial income or expenses as a reclassification adjustment in the same periods during which the hedged expected forecasted sales affect profit or loss.

Gains and losses reclassified to profit and loss are based on the amounts originally recorded (*historical*) under equity and then expressed in terms of the measuring unit current (*restated*) at the reporting date, in line with all other items in the statement of profit or loss and other comprehensive income. Consequently, for proper demonstration of gains or losses to be reclassified to profit or loss in subsequent periods, any excess of hedging reserve (*restated*) over cumulative gains or losses existing in hedging reserve (*historical*) is transferred to retained earnings each period. As of 31 March 2025, the excess transferred to retained earnings is TRY441,240 (31 March 2024: TRY877,053).

2.5.10 Property, plant and equipment

Property, plant and equipment are carried at the acquisition cost less accumulated depreciation and impairment, if any. Land is not depreciated. Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Land improvements	8 years
Buildings	up to 50 years
Machinery and equipment	
- Electromechanical equipment	up to 50 years
- Other equipment	5 – 20 years
Motor vehicles	5 – 15 years
Furniture and fixtures	3 – 10 years
Other	3 – 10 years

Estimated useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The cost of an item of property, plant and equipment comprises:

- Acquisition costs, including import duties and non-refundable purchase taxes, less discounts and rebates,
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating,
- Employee benefits arising directly from the construction or acquisition of the item of the asset,
- Site preparation and expropriation costs for the construction works,
- Initial delivery and handling costs,
- Installation and assembly costs,
- Professional fees,
- Borrowing costs eligible for capitalization.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Fair value less cost to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other operating income or other operating expense in the consolidated statement of profit or loss.

Advances given for construction activities are carried at cost and are classified under other non-current assets.

2.5.11 Intangible assets

Intangible assets are initially recognized at acquisition cost and amortized on a straight-line basis over their estimated useful lives.

Intangible assets comprise energy generation licenses and other rights acquired. Amortization is calculated using the straight-line method over license periods or a period not exceeding 5 years.

2.5.12 Leases

At inception of a contract, the Group assesses whether the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group considers following indicators for the assessment of whether a contract conveys the right to control the use of an identified asset for a period of time or not:

- The contract includes an identified asset,
- A capacity portion of an asset is physically distinct or represents substantially all of the capacity of an asset,
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset,
- The Group has the right to direct the use of an identified asset.

The Group recognizes a right-of-use asset and a lease liability at the commencement date of the lease following the consideration of the above-mentioned factors.

The lease liabilities are measured at their present value by discounting the unrealized lease payments using the Group's incremental borrowing rate at the date of initial application and classified as financial liabilities. At initial recognition, the right-of-use assets are accounted for at an amount equal to the lease liabilities (adjusted for the amount of prepaid or accrued lease payments) and classified under property, plant and equipment.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5.13 Provision for defined benefits obligation

Provision for defined benefits obligation, as required by the Turkish Labour Law, represents the estimated present value of the future probable obligation of the Group arising from the retirement of the employees. Provision which is allocated by using defined benefit pension's current value according to actuarial estimations is calculated by using estimated liability method.

2.5.14 Taxes on income

Taxes on income for the period comprise current tax and the change in deferred income taxes. Current year tax liability consists of the taxes calculated over the taxable portion of the current year income by reference to corporate income tax rates enacted as of the reporting date and adjustments provided for previous years' income tax liabilities.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income taxes.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences, deductible tax losses carried forward and unused tax credits are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and deferred tax liabilities related to income taxes levied by the same taxation authority are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

2.5.15 Revenue recognition

The Group recognizes its revenue based on the criteria and principles determined in the relevant standards. The Group's electricity sales represent a promise to transfer a series of distinct goods that are substantially the same and that have the same pattern of transfer to the grid or customer; therefore, each promise to deliver electricity is a separate performance obligation that is satisfied at a point in time. Control of electricity is transferred and therefore electricity sales revenue is recognized when the electricity is delivered to the grid.

The Group applies the practical expedient for the amount of the consideration from a contract, consequently the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

2.5.16 Earnings per share

Earnings per share are calculated by dividing the profit or loss attributable to equity holders of the company by the weighted average number of ordinary shares in issue, retrospectively adjusted for bonus elements, during the year.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5.17 Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the consolidated financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function.

2.5.18 Provisions, contingent assets and liabilities

Provisions are recognized in the consolidated financial statements, when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate, used to calculate the present value of the provision should be pre-tax rate reflecting the current market assessments of the time value of money and the risks specific to the liability. The discount rate shall not reflect risks, for which future cash flow estimates have been adjusted.

A possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group have not been recognized in these consolidated financial statements and treated as contingent liabilities and contingent assets.

2.5.19 Segment reporting

Operating segments are assessed concurrently with the internal reporting and strategic segments presented to the authorized decision-making bodies or individuals within the Group. For the purpose of making decisions regarding the allocation of resources to these segments and evaluating their performance, the entities and individuals vested with the authority to make strategic decisions concerning the Group's activities are identified as Group's senior executives.

Given that the Group operates within a single segment, the senior executives make strategic decisions in a manner that encompasses the entirety of the Group's activities. Consequently, in accordance with the relevant provisions of IFRS 8 "Operating Segments", the Group has only one reportable operating segment, and financial information is not disaggregated by operating segments.

2.5.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

2.5.21 Events after the reporting period

The Group adjusts the amounts recognized in the consolidated financial statements to reflect the adjusting events after the reporting date. If non-adjusting events after the reporting date have material influences on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.6 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements necessitates the use of judgements, estimates and assumptions that affect asset and liability amounts disclosed as of the reporting date, explanations of contingent liabilities and assets; and income and expense amounts reported for the accounting period. Although these judgements, estimates and assumptions are based on all management information related to the events and transactions, actual results may differ from them. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities for the next reporting period are outlined as follows:

2.6.1 Useful lives of tangible and intangible assets

In accordance with the accounting policy stated in Note 2.5.10 Property, plant and equipment and Note 2.5.11 Intangible assets are stated at historical cost less depreciation and net of any impairment. Depreciation on tangible assets is calculated using the straight-line method to allocate their cost amounts to their residual values over their estimated useful lives. Amortization of intangible assets is calculated using the straight-line method over license periods or a period not exceeding 5 years. Useful lives depend on the best estimates of management and are reviewed in each financial period and corrected accordingly.

2.6.2 Taxation on income

As of 31 March 2025, the Group recognized a deferred tax asset amounting to TRY863 million (31 December 2024: TRY1,098 million) over property, plant and equipment and TRY567 million (31 December 2024: TRY139 million) (Note 12) over the carry forward tax losses to the extent that it is probable that future taxable profit will be available based on the forecasted income and expense projections (Note 2.5.14). Electricity prices, electricity generation, foreign exchange rates and inflation rates used for developing the taxable profit projections are based on certain assumptions and management estimates. The future cash flows have been calculated on the basis of these estimates, and differences that might arise between the aforementioned estimates and their realizations might affect the deferred tax assets. Should all other assumptions remain the same, electricity prices had considered 10% lower, the deferred tax assets recognized would not have been changed.

2.6.3 Non-derivative cash flow hedge

In accordance with the accounting policy stated in Note 2.5.9 the Group applied non derivative hedge accounting for its foreign currency risk arising from highly probable USD denominated revenues through utilizing related USD denominated loans, commencing from 1 January 2016. The Group discontinued the hedge accounting at the beginning of the current year. Considering the forecast revenue is expected to occur the cumulative gain or loss remain there until the forecast revenue impacts earnings. Accordingly, TRY256 million of foreign exchange gain is reclassified from other comprehensive income to profit or loss.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 3 - CASH AND CASH EQUIVALENTS

	31 March 2025	31 December 2024
Cash on hand	108	13
Cash at banks		
- demand deposits	4,199,284	1,045,047
- time deposits	7,537,470	33,207
	11,736,862	1,078,267

The average maturity of time deposits is less than 3 months.

NOTE 4 - TRADE RECEIVABLES AND PAYABLES

Trade receivables	31 March 2025	31 December 2024
Customers	137,913	45,256
Due from related parties (Note 18)	-	2,077,560
	137,913	2,122,816

The weighted average term of trade receivables is less than 3 months.

Trade payables	31 March 2025	31 December 2024
Suppliers	204,669	103,150
Resource utilization accruals (*)	182,273	1,334,504
Due to related parties (Note 18)	3,070	67,828
	390,012	1,505,482

The weighted average term of trade payables is less than 3 months.

(*) Resource utilization accruals consist of water utilization fee accruals and resource utilization administration share.

Water utilization accruals are calculated based on the annual electricity generation by determined unit price for each year in accordance with the framework of the Water Utilization Right Agreements, signed with the General Directorate of State Hydraulic Works (SHW) on 25 December 2006 for Alkumru HPP and 7 November 2019 for Çetin HPP. Such payables are due to SHW in the first month of each following year.

The annual resource utilization administration share is calculated with the rates determined within the framework of the relevant legislation over the gross sales in accordance with the framework of the geothermal resource operation license obtained by Buharkent GPP on 23 October 2016. Such payables are due to the General Directorate of Mining and Petroleum Affairs in the sixth month of each following year.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 5 - INVESTMENTS IN JOINT VENTURES*Amounts recognized in the statements of financial positions*

Investments in joint ventures	31 March 2025	31 December 2024
Darenhes Elektrik Üretimi A.Ş.	5,136,817	5,000,952
	5,136,817	5,000,952

The movements of joint ventures accounted for using the equity method are as follows:

	1 January - 31 March 2025	1 January - 31 March 2024
Balance at the beginning of the year	5,000,952	4,275,793
Share of profit of joint ventures	135,865	148,422
Balance at the end of the period	5,136,817	4,424,215

Amounts recognized in the statements of profit or loss

Share of profit of joint ventures	1 January - 31 March 2025	1 January - 31 March 2024
Darenhes Elektrik Üretimi A.Ş.	135,865	148,422
	135,865	148,422

LİMAK YENİLENEBİLİR ENERJİ A.Ş.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 5 - INVESTMENTS IN JOINT VENTURES (Continued)*Summarized financial information for the joint venture*

	31 March 2025	31 December 2024
Current assets	163,621	115,886
Non-current assets	12,611,656	12,585,469
Current liabilities	222,569	173,946
Non-current liabilities	2,279,074	2,525,505
Net assets	10,273,634	10,001,904
Group's share	50.00%	50.00%
Group's share of net assets	5,136,817	5,000,952

	1 January - 31 March 2025	1 January - 31 March 2024
Revenue	295,742	782,461
Cost of sales	(149,125)	(117,922)
Operating income/(expenses)	(1,649)	1,979
Financial income/(expenses)	(192,968)	(522,218)
Gains on net monetary position	244,500	763,610
Taxation on income	75,229	(606,408)
Non-controlling interests	-	(260)
Profit for the period	271,729	301,242
Group's share	50.00%	49.27%
Group's share of profit	135,865	148,422

Additional information for the joint venture

	31 March 2025	31 December 2024
Cash and cash equivalents	66,797	45,958
Short-term borrowings	96,914	95,213
Long-term borrowings	2,258,709	2,502,388
1 January - 31 March 2025	1 January - 31 March 2024	
Depreciation and amortization	64,138	46,444
Interest income	1,785	4,443
Interest expense	37,567	96,029

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Construction in progress	Total
1 January 2025							
Cost	63,855	22,661,314	10,916,108	2,903	29,392	-	33,673,572
Accumulated depreciation	(48,628)	(4,684,102)	(1,496,738)	(1,519)	(23,606)	-	(6,254,593)
Net book value	15,227	17,977,212	9,419,370	1,384	5,786	-	27,418,979
Opening net book value	15,227	17,977,212	9,419,370	1,384	5,786	-	27,418,979
Additions	-	104,391	3,742	-	186	-	108,319
Depreciation	(192)	(138,869)	(98,730)	(45)	(423)	-	(238,259)
Closing net book value	15,035	17,942,734	9,324,382	1,339	5,549	-	27,289,039
31 March 2025							
Cost	63,855	22,765,705	10,919,850	2,903	29,578	-	33,781,891
Accumulated depreciation	(48,820)	(4,822,971)	(1,595,468)	(1,564)	(24,029)	-	(6,492,852)
Net book value	15,035	17,942,734	9,324,382	1,339	5,549	-	27,289,039

Right of use assets amounting to TRY1,115,107 thousand consisting of forest land use permits are recognized under buildings.

Depreciation expenses related to property, plant and equipment are accounted for under cost of sales.

There is no mortgage on property, plant and equipment as of 31 March 2025.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Construction in progress	Total
1 January 2024							
Cost	63,856	22,755,166	5,665,091	2,904	25,408	1,142,253	29,654,678
Accumulated depreciation	(47,854)	(4,128,505)	(1,224,048)	(1,339)	(18,986)	-	(5,420,732)
Net book value	16,002	18,626,661	4,441,043	1,565	6,422	1,142,253	24,233,946
Opening net book value	16,002	18,626,661	4,441,043	1,565	6,422	1,142,253	24,233,946
Additions	-	37,641	34	-	211	2,173,447	2,211,333
Depreciation	(194)	(139,140)	(54,897)	(45)	(441)	-	(194,717)
Closing net book value	15,808	18,525,162	4,386,180	1,520	6,192	3,315,700	26,250,562
31 March 2024							
Cost	63,856	22,792,807	5,665,125	2,904	25,619	3,315,700	31,866,011
Accumulated depreciation	(48,048)	(4,267,645)	(1,278,945)	(1,384)	(19,427)	-	(5,615,449)
Net book value	15,808	18,525,162	4,386,180	1,520	6,192	3,315,700	26,250,562

Right of use assets amounting to TRY1,230,888 thousand consisting of forest land use permits are recognized under buildings.

Depreciation expenses related to property, plant and equipment are accounted for under cost of sales.

Construction in progress mainly consist of Erzin SPP and Buharkent hybrid SPP capital expenditures.

Total mortgages on property, plant and equipment as of 31 March 2024 amounts to USD1,586 million.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT (Continued)*Right of use assets*

	31 March 2025	31 March 2024
1 January		
Cost	1,158,244	1,301,018
Accumulated depreciation	(138,726)	(97,362)
Net book value	1,019,518	1,203,656
Opening net book value	1,019,518	1,203,656
Additions	104,391	36,491
Depreciation	(8,802)	(9,259)
Closing net book value	1,115,107	1,230,888
31 March		
Cost	1,262,635	1,337,509
Accumulated depreciation	(147,528)	(106,621)
Net book value	1,115,107	1,230,888

LİMAK YENİLENEBİLİR ENERJİ A.Ş.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 7 - INTANGIBLE ASSETS

	Licenses	Other	Total
1 January 2025			
Cost	316,051	3,500	319,551
Accumulated amortization	(63,463)	(2,006)	(65,469)
Net book value	252,588	1,494	254,082
Opening net book value	252,588	1,494	254,082
Additions	-	-	-
Amortization	(2,654)	(70)	(2,724)
Closing net book value	249,934	1,424	251,358
31 March 2025			
Cost	316,051	3,500	319,551
Accumulated amortization	(66,117)	(2,076)	(68,193)
Net book value	249,934	1,424	251,358

Amortization expenses related to intangible assets are accounted for under cost of sales.

There is no mortgage on intangible assets as of 31 March 2025.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 7 - INTANGIBLE ASSETS (Continued)

	Licenses	Other	Total
1 January 2024			
Cost	316,208	3,002	319,210
Accumulated amortization	(52,856)	(1,443)	(54,299)
Net book value	263,352	1,559	264,911
Opening net book value	263,352	1,559	264,911
Additions	-	-	-
Amortization	(2,659)	(192)	(2,851)
Closing net book value	260,693	1,367	262,060
31 March 2024			
Cost	316,208	3,002	319,210
Accumulated amortization	(55,515)	(1,635)	(57,150)
Net book value	260,693	1,367	262,060

Amortization expenses related to intangible assets are accounted for under cost of sales.

Mortgages on intangible assets as of 31 March 2024 amount to USD50 million and EUR30 million.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 8 - BORROWINGS

Short-term borrowings	31 March 2025	31 December 2024
Debt securities	1,818,709	-
Current portion of long-term bank borrowings	343,087	2,379,188
Lease liabilities	91,175	39,125
	2,252,971	2,418,313

Long-term borrowings	31 March 2025	31 December 2024
Debt securities	17,861,252	-
Bank borrowings	1,486,991	9,087,618
Lease liabilities	287,144	255,309
	19,635,387	9,342,927

Limak Yenilenebilir issued USD450 million green bond on 12 February 2025 with an annual interest rate of 9.625 per cent and a maturity of 5.5 years in the International Stock Exchange ("TISE"). The Company further issued USD75 million green bond on 21 February 2025, to be consolidated and form a single series of USD525 million with the same terms and conditions. The debt securities will mature on 12 August 2030 at their principal amount together with accrued interest. Interest on the debt securities is payable semi-annually starting from 12 August 2025.

Fees paid amounting to USD10.3 million equivalent on the establishment of debt securities are recognised as transaction costs taken into account as an integral part of the effective interest rate and the calculation of the amortised cost of debt securities.

The redemption schedule of long-term borrowings are as follows:

	31 March 2025	31 December 2024
2026	1,679,756	1,970,968
2027	1,649,234	1,921,086
2028	3,222,099	1,841,799
2029	2,790,680	1,484,197
2030 and over	10,006,474	1,869,568
	19,348,243	9,087,618

LİMAK YENİLENEBİLİR ENERJİ A.Ş.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 8 - BORROWINGS (Continued)

Movements in the borrowings are as follows:

	1 January - 31 March 2025	1 January - 31 March 2024
Balance at the beginning of the year	11,466,806	13,990,944
Proceeds	19,357,074	1,174,067
Repayments	(9,163,161)	(775,137)
Foreign exchange adjustments	1,225,782	1,059,180
Change in interest accruals	330,183	(253,193)
Transaction costs paid	(392,265)	-
Monetary gains	(1,314,380)	(1,900,388)
Balance at the end of the period	21,510,039	13,295,473

The redemption schedule of long-term lease liabilities are as follows:

	31 March 2025	31 December 2024
2026	-	33,772
2027	39,897	30,690
2028	34,440	26,652
2029	29,830	23,006
2030 and over	182,977	141,189
	287,144	255,309

Movements in the lease liabilities are as follows:

	1 January - 31 March 2025	1 January - 31 March 2024
Balance at the beginning of the year	294,435	635,775
Modifications	104,391	37,641
Repayments	(1,454)	(489)
Change in interest accruals	12,914	20,697
Monetary gains	(31,967)	(92,588)
Balance at the end of the period	378,319	601,036

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 9 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Guarantees given	31 March 2025	31 December 2024
Letters of guarantees given	159,442	415,053
	159,442	415,053
Guarantees received	31 March 2025	31 December 2024
Letters of guarantees received	161,434	214,251
	161,434	214,251

The Group entered into share pledge, commercial enterprise pledge and account pledge agreements in connection with project finance facilities.

There is no mortgage on property, plant and equipment and intangible assets (31 December 2024: Mortgages on property, plant and equipment and intangible assets amount to USD1,636 million and EUR30 million).

NOTE 10 - PROVISION FOR DEFINED BENEFIT OBLIGATION

	31 March 2025	31 December 2024
Provision for defined benefits obligation	26,005	26,256
	26,005	26,256

Under Turkish Labour Law, the Group is required to pay retirement benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies, or retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men).

At 31 March 2025, the amount payable consists of one month's salary limited to a maximum of TRY46.66 thousand (31 December 2024: TRY41.83 thousand, as declared) for each year of service.

The liability is not funded as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of employees.

IAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	31 March 2025	31 December 2024
Discount rate (%)	3.63	3.63
Turnover rate to estimate the probability of retirement (%)	98.00	98.00

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 10 - PROVISION FOR DEFINED BENEFIT OBLIGATION (Continued)

The principal assumption is that maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TRY46.66 thousand which is effective from 1 January 2025 (1 January 2024: TRY35.06 thousand, as declared), has been taken into consideration in calculating the Group's provision for defined benefits obligation.

Movements in the provision for defined benefits obligation are as follows:

	1 January - 31 March 2025	1 January - 31 March 2024
Balance at the beginning of the year	26,256	19,940
Service costs	4,172	3,804
Interest expenses	7,245	7,629
Payments	(358)	(5)
Actuarial losses	(8,857)	(1,345)
Monetary gains	(2,453)	(2,953)
Balance at the end of the period	26,005	27,070

NOTE 11 - OTHER ASSETS AND LIABILITIES

Other current assets	31 March 2025	31 December 2024
Value added tax receivables	197,598	207,168
Prepaid income taxes	59,880	62,427
Prepaid expenses ⁽¹⁾	22,341	46,360
Other	5,555	4,058
	285,374	320,013
Other non-current assets	31 March 2025	31 December 2024
Due from related parties (Note 18)	888,742	230,620
Advances given ⁽²⁾	90,622	27,115
Spare parts	22,415	13,754
Other	4,785	892
	1,006,564	272,381

(1) Mainly consists of premium payments under insurance policies.

(2) Consists of advances given to subcontractors for the Erzin SPP project.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 11 - OTHER ASSETS AND LIABILITIES (Continued)

Other current liabilities	31 March 2025	31 December 2024
Taxes and funds payable	122,615	72,171
Provision for litigations	43,554	45,539
Accrued salaries and wages	14,413	11,286
Unused vacation accruals	7,892	6,135
Consideration payable (Note 18)	-	63,766
Contract liabilities (*)	-	19,668
	188,474	218,565

(*) Consists of advances received within the scope of electricity sales.

NOTE 12 - TAX ASSETS AND LIABILITIES

	31 March 2025	31 December 2024
Current income tax liabilities	556	612
	556	612

	31 March 2025	31 December 2024
Advance tax payments	62,751	68,820
Less: Utilisations	(2,871)	(6,393)
Prepaid income taxes	59,880	62,427

In Türkiye, corporate tax is payable at a rate of 25% on the total income of the Company after adjusting for certain disallowable expenses, exempt income and investment and other allowances (2024: 25%).

Turkish tax legislation does not allow for the submission of tax returns over consolidated financial statements, which include its subsidiaries and joint ventures. Therefore, tax considerations reflected in consolidated financial statements have been calculated on a separate-entity basis.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years.

Taxation on income in the statement of profit or loss are as follows:

	1 January - 31 March 2025	1 January - 31 March 2024
Current tax expense	-	(23,600)
Deferred tax income/(expense)	(132,796)	(848,726)
	(132,796)	(872,326)

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 12 - TAX ASSETS AND LIABILITIES (Continued)

The reconciliation of the tax expenses in the statement of profit or loss are as follows:

	1 January - 31 March 2025	1 January - 31 March 2024
Profit before income tax	130,290	1,897,984
Tax calculated at enacted tax rate	(32,573)	(474,496)
Tax effect of:		
Share of profit or loss of joint ventures	33,966	37,106
Disallowable expenses	(97)	(1,503)
Inflation adjustments (*)	(134,093)	(484,154)
Tax rate differences	-	30,101
Other	-	20,620
Tax income/(expense)	(132,796)	(872,326)

(*) Arising from differences between application of inflation adjustments in accordance with IFRS and Tax Procedural Law.

In accordance with the repeated article 298 and provisional article 33 of the Tax Procedure Law No: 213 and "General Communiqué on Tax Procedure Law No: 555" published in the Official Gazette on 30 December 2023, it is declared that the (tax base) financial statements of the entities operating in Türkiye should be subject to inflation adjustment as of 31 December 2023. The inflation adjusted (tax base) financial statements constituted an opening balance sheet base for tax returns to be prepared starting from 1 January 2024 and opening balance sheet inflation effects were not taken into consideration in the calculation of 2023 corporate income tax liability.

Deferred taxes	31 March 2025	31 December 2024
Deferred tax assets	1,393,383	1,602,069
Deferred tax liabilities	(85,961)	(95,628)
	1,307,422	1,506,441

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with IFRS and their statutory tax financial statements. Deferred taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income under the liability method using an enacted tax rate.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 12 - TAX ASSETS AND LIABILITIES (Continued)

The breakdown of cumulative temporary differences and the resulting deferred tax assets and liabilities, using enacted tax rates are as follows:

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	31 March 2025	31 December 2024	31 March 2025	31 December 2024
Deferred tax assets:				
Property, plant and equipment	3,453,092	4,393,559	863,273	1,098,390
Carryforward tax losses	2,269,144	554,787	567,286	138,697
Tax credits over finance costs	380,273	446,441	95,068	111,610
Resource utilization accruals	182,273	1,334,467	45,568	333,617
Defined benefits obligation	26,005	26,255	6,501	6,563
Other	51,446	51,674	12,862	12,919
			1,590,558	1,701,796
Deferred tax liabilities:				
Property, plant and equipment	(599,986)	(501,823)	(149,996)	(131,611)
Intangible assets	(256,892)	(252,375)	(64,223)	(63,093)
Borrowings	(267,557)	-	(66,889)	-
Other	(8,062)	(2,602)	(2,028)	(651)
			(283,136)	(195,355)
Deferred tax assets, net			1,307,422	1,506,441

Carryforward tax losses

Deferred tax assets are recognized for tax losses carried forward to extent that the realization of the related tax benefit through the future taxable profits is probable.

At 31 March 2025, the Group has recognized deferred tax assets amounting to TRY567,286 thousand (31 December 2024: TRY138,697 thousand) over the carryforward tax losses amounting to TRY2,269,144 thousand (31 December 2024: TRY554,787 thousand) in the consolidated financial statements.

The expiration years of such carryforward tax losses are as follows:

	31 March 2025	31 December 2024
2026	102,635	102,635
2027	26,122	26,122
2028	241,798	241,798
2029	133,509	133,509
2030	1,765,080	-
Statutory	2,269,144	504,064
Inflation	-	50,723
Reported	2,269,144	554,787

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 12 - TAX ASSETS AND LIABILITIES (Continued)

Movements in deferred income taxes:

	1 January - 31 March 2025	1 January - 31 March 2024
Balance at the beginning of the year	1,506,441	3,796,500
Recognized in profit or loss	(132,796)	(848,726)
Recognized in other comprehensive income	(66,223)	89,307
Balance at the end of the period	1,307,422	3,037,081

NOTE 13 - EQUITY

Share capital

The Company's authorized and issued share capital consists of 1,408,565,000 shares with TRY1 of par value each (31 December 2024: 1,408,565,000 shares TRY1 of par value each).

The shareholding structure of the Company:

Shareholders	31 March 2025		31 December 2024	
	Share%	Amount	Share %	Amount
Limak Yatırım Enerji Üretim İşletme Hizmetleri ve İnşaat A.Ş.	100.00	1,408,565	100.00	1,408,565
Share capital	100.00	1,408,565	100.00	1,408,565
Adjustment to share capital		12,291,156		12,291,156
Total share capital		13,699,721		13,699,721

There are no different types of shares.

Restricted reserves

Legal reserves consist of first and second reserves, appropriated in accordance with the TCC. The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital. As of 31 March 2025, legal reserves of the Company are TRY42,388 (31 December 2024: TRY42,388).

LİMAK YENİLENEBİLİR ENERJİ A.Ş.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 14 - REVENUE

	1 January - 31 March 2025	1 January - 31 March 2024
Sales at feed-in tariffs	600,628	1,158,404
Sales at spot market	571,430	902,459
Sales through bilateral agreements	-	31,607
	1,172,058	2,092,470

In accordance with the legislation numbered 5346 "Law on Utilization of Renewable Energy Resources for the Purpose of Generating Electrical Energy", the Renewable Energy Resources Support Mechanism ('YEKDEM') implements feed-in tariffs for the sale of electricity generated by power plants with Renewable Energy Resource Certificate.

NOTE 15 - COST OF SALES

	1 January - 31 March 2025	1 January - 31 March 2024
Depreciation and amortization	240,983	197,568
Resource utilization cost	185,196	398,090
System utilization cost	79,430	126,524
Employee benefits	76,647	49,409
Electricity supply cost	30,302	121,809
Insurance expenses	18,643	12,147
Technical services	5,045	35,832
Other	35,650	28,926
	671,896	970,305

NOTE 16 - OTHER OPERATING INCOME AND EXPENSES

Other operating income	1 January - 31 March 2025	1 January - 31 March 2024
Insurance claims	381	1,153
Late payment charges	13	14
Other	181	111
	575	1,278

Other operating expenses	1 January - 31 March 2025	1 January - 31 March 2024
Provision expenses	(2,301)	(31,153)
Other	(365)	(871)
	(2,666)	(32,024)

LİMAK YENİLENEBİLİR ENERJİ A.Ş.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 17 - FINANCIAL INCOME AND EXPENSES

Financial income	1 January - 31 March 2025	1 January - 31 March 2024
Interest income	103,599	15,263
Foreign exchange gains	583,722	101,790
	687,321	117,053
Financial expenses	1 January - 31 March 2025	1 January - 31 March 2024
Interest expense	(429,347)	(366,556)
Foreign exchange losses	(1,472,788)	(689,927)
Other	(161,223)	(8,779)
	(2,063,358)	(1,065,262)

NOTE 18 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES**Balances with related parties**

Trade receivables	31 March 2025	31 December 2024
<i>Other related parties</i>		
Limak Enerji Ticareti A.Ş.	-	2,077,560
	-	2,077,560

The maturities of trade receivables are less than three months.

Trade payables	31 March 2025	31 December 2024
<i>Shareholders</i>		
Limak İnşaat Sanayi ve Ticaret A.Ş.	-	141
Limak Yatırım Enerji Üretim İşletme Hizm. ve İnş. A.Ş.	78	50,965
<i>Other related parties</i>		
Limak Enerji Ticareti A.Ş.	2,912	16,527
Limak Teknoloji Yazılım Savunma Sanayi ve Tic. A.Ş.	80	195
	3,070	67,828

The maturities of trade payables are less than three months.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 18 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Other assets	31 March 2025	31 December 2024
<i>Shareholders</i>		
Limak İnşaat Sanayi ve Ticaret A.Ş.	48,299	48,181
Limak Yatırım Enerji Üretim İşletme Hizm. ve İnş. A.Ş.	840,443	182,439
	888,742	230,620

Receivables consist of funds provided to shareholders. The weighted average interest rates are 50.00% for TRY and 9.625% for USD (31 December 2024: 52.00% for TRY and 7.50% for USD) and maturity dates are more than a year.

Other liabilities

On 2 December 2024, share purchase agreements was executed for the purpose of acquiring all the shares held by the family, as disclosed in Note 2.5.1, in Darenhes Elektrik Üretimi A.Ş. and Seyrantepe Hes Elektrik Üretimi A.Ş., the joint ventures of the Group. In accordance with the share purchase agreements, the total purchase price was agreed based on the total equity amounts of the respective companies and was subject to an adjustment for the realized annual inflation. Consequently, as of 31 December 2024, the aggregate purchase price was determined as TRY63,766 thousand and the share transfers were recognized accordingly.

Transactions with related parties

	1 January - 31 March 2025	1 January - 31 March 2024
Electricity sales		
<i>Other related parties</i>		
Limak Enerji Ticareti A.Ş.	13,640	319,805
	13,640	319,805
Electricity purchases		
<i>Other related parties</i>		
Limak Enerji Ticareti A.Ş.	(23,472)	(60,629)
	(23,472)	(60,629)
Management and technical service purchases		
<i>Shareholders</i>		
Limak Yatırım Enerji Üretim İşletme Hizm. ve İnş. A.Ş.	-	(42,062)
	-	(42,062)

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 18 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

	1 January - 31 March 2025	1 January - 31 March 2024
Capital expenditures		
<i>Shareholders</i>		
Limak İnşaat Sanayi ve Ticaret A.Ş.	-	394,163
	-	394,163

Capital expenditures mainly consist of construction services received for Erzin SPP.

	1 January - 31 March 2025	1 January - 31 March 2024
Interest income		
<i>Shareholders</i>		
Limak İnşaat Sanayi ve Ticaret A.Ş.	4,714	3,444
Limak Yatırım Enerji Üretim İşletme Hizm. ve İnş. A.Ş.	70,302	9,377
	75,016	12,821

	1 January - 31 March 2025	1 January - 31 March 2024
Interest expenses		
<i>Shareholders</i>		
Limak İnşaat Sanayi ve Ticaret A.Ş.	-	(7,676)
Limak Yatırım Enerji Üretim İşletme Hizm. ve İnş. A.Ş.	-	(2,987)
	-	(10,663)

Shareholders represent the shareholder of the Company and its shareholders.

Other related parties represent the subsidiaries and joint ventures of the shareholders.

Key management compensation

The Group determined key management personnel as the chairman and members of the Board of Directors, general manager and deputy general managers.

	1 January - 31 March 2025	1 January - 31 March 2024
Short-term compensation	5,077	1,216
	5,077	1,216

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 19 - FINANCIAL RISK MANAGEMENT

Financial risk management

The Group is exposed to variety of financial risks due to its operations. These risks include credit risk, market risk (foreign exchange risk and interest rate risk) and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

a) Credit risk

Credit risk is the risk that a counterparty cannot fulfil its obligations in the agreements that the Group is party to. The Group monitors the credit risk by ratings and limitations to the total risk of a single counterparty.

The credit risk is limited since the significant portion of trade receivables comprise energy exchange market transactions secured with counterparty guarantees provided by Energy Exchange Istanbul ("EXIST") which is legally incorporated under the Turkish Electricity Law and regulated by EMRA. Moreover, the Group deposits its cash in reputable lender banks, which keeps the credit risk at an acceptable level.

31 March 2025	Bank deposit	Trade receivables	Other receivables
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	11,736,754	137,913	888,742
A. Neither past due nor impaired	11,736,754	137,913	888,742
B. Restructured	-	-	-
C. Past due but not impaired	-	-	-
D. Impaired	-	-	-
- Gross amount	-	-	-
- Impairment	-	-	-
E. Collective provision for impairment (-)	-	-	-

31 December 2024	Bank deposit	Trade receivables	Other receivables
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	1,078,254	2,122,816	230,620
A. Neither past due nor impaired	1,078,254	2,122,816	230,620
B. Restructured	-	-	-
C. Past due but not impaired	-	-	-
D. Impaired	-	-	-
- Gross amount	-	-	-
- Impairment	-	-	-
E. Collective provision for impairment (-)	-	-	-

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 19 - FINANCIAL RISK MANAGEMENT (Continued)

Credit quality details of neither past due nor impaired financial assets are as follows:

	31 March 2025	31 December 2024
Financial institutions	11,736,754	1,078,254
Related parties	888,742	2,308,180
Public institutions and corporations	130,385	40,297
Other customers with no payment defaults	7,528	4,959
	12,763,409	3,431,690

b) Market risk

Foreign exchange risk

The Group is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated assets and liabilities to local currency. These risks are monitored and limited by the analysis of the foreign currency position.

Non-derivative financial instruments:

The Group's power plants have right to participate in YEKDEM (Note 14) which enables the Group to manage its foreign exchange risk arising from foreign currency denominated revenues with foreign currency denominated borrowings. The Group's power plants have the flexibility to choose annually between selling electricity under the USD based feed in tariffs or in the spot market, optimizing revenue based on market conditions.

The Group applied non-derivative hedge accounting for its foreign currency risk effective from 1 January 2016. The foreign currency component of USD denominated borrowings was designated as the hedging instrument of the foreign currency exposure arising on highly probable USD based forecast revenues (within the scope of feed in tariff mechanism) in a cash flow hedge and the spot component of the retranslation of the borrowings was recognized in other comprehensive income and recycled to profit or loss when the hedged forecast revenues are realized. However, the Group ceased hedge accounting at the beginning of the current year.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 19 - FINANCIAL RISK MANAGEMENT (Continued)

Assets and liabilities denominated in foreign currency held by the Group are as follows:

	31 March 2025	31 December 2024
Asset	11,656,360	1,103,958
Liabilities	(20,933,118)	(10,121,194)
Balance sheet position	(9,276,758)	(9,017,236)
Off-balance sheet position	-	7,660,839
Foreign currency position	(9,276,758)	(1,356,397)

Off-balance sheet position consists of non-derivative financial instruments as further discussed above.

	31 March 2025		
	USD	EUR	Total
Assets:			
Cash and cash equivalents	11,432,283	2,340	11,434,623
Other assets	221,737	-	221,737
Total assets	11,654,020	2,340	11,656,360
Liabilities:			
Borrowings	(20,076,084)	(820,884)	(20,896,968)
Trade payables	(35,329)	(821)	(36,150)
Total liabilities	(20,111,413)	(821,705)	(20,933,118)
Balance sheet position	(8,457,393)	(819,365)	(9,276,758)
Non-derivative instruments (hedging)	-	-	-
Foreign currency position	(8,457,393)	(819,365)	(9,276,758)

As of 31 March 2025, if EUR and USD had appreciated/depreciated by 10% against TRY, with all other variables held constant, net foreign currency position would have been TRY927.6 million higher/lower, mainly as a result of foreign exchange losses/gains on the translation of the foreign currency position.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 19 - FINANCIAL RISK MANAGEMENT (Continued)

	31 December 2024		
	USD	EUR	Total
Assets:			
Cash and cash equivalents	900,304	5,494	905,798
Other assets	198,156	4	198,160
Total assets	1,098,460	5,498	1,103,958
Liabilities:			
Borrowings	(8,984,149)	(1,039,221)	(10,023,370)
Trade payables	(95,837)	(1,987)	(97,824)
Total liabilities	(9,079,986)	(1,041,208)	(10,121,194)
Balance sheet position	(7,981,526)	(1,035,710)	(9,017,236)
Non-derivative instruments (hedging)	7,660,839	-	7,660,839
Foreign currency position	(320,687)	(1,035,710)	(1,356,397)

As of 31 December 2024, if EUR and USD had appreciated/depreciated by 10% against TRY, with all other variables held constant, net foreign currency position would have been TRY135.6 million higher/lower, mainly as a result of foreign exchange losses/gains on the translation of the foreign currency position.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 19 - FINANCIAL RISK MANAGEMENT (Continued)

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The Group manages the exposure of financial liabilities by matching of contractual repricing dates of financial assets and liabilities.

The weighted average effective interest rates (%) for the financial assets and liabilities of the Group are as follows:

	31 March 2025			31 December 2024		
	USD	EUR	TRY	USD	EUR	TRY
Assets						
Cash and cash equivalents	2.29	-	39.97	-	-	38.52
Other receivables	9.63	-	50.00	7.50	-	52.00
Liabilities						
Borrowings						
with fixed interest rates	9.63	-	18.70	7.00	-	17.29
with floating interest rates	-	3.22	50.00	10.44	5.10	52.00

The Group entered into project finance facilities and secured long-term project finance loans for its capital expenditures of power plants. Major project finance loans are as follows:

Project	Currency	Facility	Interest	31 March 2025	31 December 2024
Erzin SPP	TRY	1,000,000	18.70	1,000,000	1,000,000
Erzin SPP	EUR	20,917	EURIBOR+0.80	20,150	20,917
Erzin SPP	USD	25,000	SOFR+3.35	-	22,222
Cetin HPP	USD	226,977	SOFR+CAS+5.75	-	136,186
Cetin HPP	TRY	329,976	15.85	-	197,985
Alkumru HPP	USD	97,000	SOFR+CAS+5.75	-	44,717
Alkumru HPP	TRY	187,222	15.85	-	86,310
Buharkent GPP	USD	37,000	SOFR+CAS+5.20	-	16,706

Amounts shown above are expressed in thousands and presented in the currencies stated.

Contractual re-pricing dates of the Group's financial liabilities are within six months.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 19 - FINANCIAL RISK MANAGEMENT (Continued)

Interest rate positions are as follows:

Financial instruments with fixed interest rates	31 March 2025	31 December 2024
Financial assets		
Cash and cash equivalents	7,537,470	33,207
Financial liabilities		
Borrowings	21,205,261	1,843,653
Financial instruments with floating interest rates	31 March 2025	31 December 2024
Financial assets		
Other receivables	888,742	230,620
Financial liabilities		
Borrowings	820,150	9,544,329

c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of adequate committed funding lines from high quality lenders.

The undiscounted contractual cash flows of the financial liabilities of the Group is as follows:

31 March 2025	On demand or up to 3 months	3-12 months	1-5 years	5 years and over	Total
Borrowings	108,528	2,314,390	14,033,327	19,529,001	35,985,246
Trade payables	207,739	182,273	-	-	390,012
Other liabilities	188,474	-	-	-	188,474
	504,741	2,496,663	14,033,327	19,529,001	36,563,732
31 December 2024	On demand or up to 3 months	3-12 months	1-5 years	5 years and over	Total
Borrowings	1,091,511	2,000,821	9,715,732	2,718,040	15,526,104
Trade payables	1,505,482	-	-	-	1,505,482
Other liabilities	218,565	-	-	-	218,565
	2,815,558	2,000,821	9,715,732	2,718,040	17,250,151

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2025**

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 19 - FINANCIAL RISK MANAGEMENT (Continued)**d) Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the net financial debt/total capital ratio. Net financial debt is calculated as bank borrowings less cash and cash equivalents.

Net financial debt/total capital ratio is as follows:

	31 March 2025	31 December 2024
Bank borrowings	21,510,039	11,466,806
Cash and cash equivalents	(11,736,862)	(1,078,267)
Net financial debt	9,773,177	10,388,539
Total equity	24,657,944	24,461,776
Total capital	34,431,121	34,850,315
Net financial debt/total capital ratio	28.38%	29.81%

Fair value of financial instruments

The estimated fair values of financial instruments have been determined by the Group, using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The following methods and assumptions are used to estimate the fair value of the financial instruments:

Financial assets

The carrying values of cash and cash equivalents and trade receivables are assumed to approximate to their fair values due to their short-term nature.

Financial liabilities

The fair values of trade payables are assumed to approximate to their carrying values due to their short-term nature.

The estimated fair values of bank borrowings are assumed to approximate to their carrying values due to their recent transactions or their floating interest rate.

The estimated fair value of debt securities is USD 517 million based on market price as of 31 March 2025.

LİMAK YENİLENEBİLİR ENERJİ A.Ş.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 31 MARCH 2025

(Amounts expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

NOTE 20 - FINANCIAL INSTRUMENTS ADDITIONAL DISCLOSURES

Fair value estimation

The classification of the Group's financial assets and liabilities at fair value is as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3: Inputs for the asset or liability that is not based on observable market data (that is, unobservable inputs).

As of the reporting dates, the Group does not have any assets and liabilities measured at fair value.

NOTE 21 - EARNINGS PER SHARE

	1 January - 31 March 2025	1 January - 31 March 2024
Profit/(loss) for the year	(2,506)	1,025,658
Weighted average number of shares with nominal value of TRY 1 each	1,408,565	1,408,565
Earnings per share	(0.00)	0.73

NOTE 22 - EVENTS AFTER THE REPORTING PERIOD

On 2 April 2025, the Company entered into share purchase agreements for the acquisition of 49% of shares in Limak Enerji Üretim Sanayi ve Ticaret A.Ş. ("LEU") with Limak Holding A.Ş., Limak İnşaat Sanayi ve Ticaret A.Ş. and Limsan İnşaat Sanayi ve Ticaret A.Ş. The share transfers to the Company were completed on the same date. LEU was established for the purpose of investing in renewable energy and has preliminary generation licenses for İncir HPP and Pervari HPP.

.....